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Re: **Purchasing Non-Public School Service Credit**

Dear Member:

We have received your inquiry regarding the possibility of purchasing creditable service for teaching at a non-public school. Please review the following information very carefully and then, if applicable, complete and submit the enclosed *Non-Public School Service Purchase Form*.

BACKGROUND

Prior to 1973, certain individuals—primarily members of religious orders—were excluded from accruing benefits in the Social Security System because of their vow of poverty. This federal prohibition was removed in 1972 by legislation (P.L. 92-603, *Coverage for Vow-of-Poverty Members of Religious Orders*) enacted by the 92nd Congress and signed by President Richard Nixon.

This previous prohibition, however, was seen as having an adverse effect on those individuals who subsequently left religious life and began to accrue retirement benefits in other employment. Because those previous years could not be added to an existing benefit—Social Security or otherwise—the retirement benefits of these individuals were unfairly reduced. To address this situation, a group of MTRS members (who happened to be members of a religious order and who had previous non-public school teaching service) lobbied to change the law. They looked to the existing provision of the retirement law that allows a member to purchase out-of-state service and argued that, given the fact that the government actually precluded them from accruing retirement benefits prior to 1973, they should be allowed to purchase up to ten years of that non-public school service from the MTRB. As a result of their efforts, the Massachusetts Legislature enacted Chapter 333 of the Acts of 1992, which became effective on April 8, 1993.

ELIGIBILITY

In order to purchase up to ten years of non-public school service, you must:

- be an MTRS member who is actively employed or on an authorized leave of absence;
- have rendered the non-public school service prior to 1973;
- submit a completed *Non-Public School Service Purchase Form*;
- submit a copy of your *Personal Earnings and Benefit Estimate Statement* (PEBES) from the Social Security Administration [note: if you are purchasing this service mid-career, we may later ask you for an updated PEBES at the time of your actual retirement; you may obtain a copy of your PEBES either by calling the SSA at (800) 772-1213 or by writing directly to the SSA at its Wilkes-Barre Data Operations Center, P.O. Box 20, Wilkes-Barre, PA 18711-2030]; and,
- pay into the Massachusetts Teachers' Retirement System an amount equal to that which would have been withheld as regular deductions from your regular compensation had the non-public school service been rendered in a Massachusetts public school, plus interest. For the purpose of this calculation, regular compensation will be based on the following state averages:

1950 .. \$ 2,700	1956 .. \$ 4,000	1962 .. \$ 5,500	1968 .. \$ 9,200
1951 2,900	1957 4,200	1963 6,000	1969 9,900
1952 3,100	1958 4,400	1964 6,500	1970 10,600
1953 3,300	1959 4,600	1965 7,000	1971 11,300
1954 3,500	1960 4,800	1966 7,500	1972 12,000
1955 3,700	1961 5,000	1967 8,500	

Please also note:

- You are not eligible to purchase credit for non-public school service if you received or were eligible to receive credit toward any retirement plan for that period of service.

Massachusetts General Laws chapter 32, §3(4A) states that an active member of the MTRS may purchase credit for service rendered in a non-public school prior to 1973 provided that the member shall not be entitled to receive a retirement allowance or other similar payment from the non-public school system, the federal government or any other source. If you did contribute to the Social Security system during your non-public school employment *and* you do not presently have enough quarters to qualify for a Social Security benefit, you will be eligible to purchase your non-public school service.

However, please be advised that at the time of your retirement from the MTRS, we will require that you obtain an updated statement from the Social Security Administration to prove that you remain ineligible for Social Security benefits. If, before the date of your retirement from the MTRS, you should complete the forty quarters that will make you eligible for Social Security benefits, we will

- return to you any payment that you made to us to purchase your non-public school service (including interest) and
 - subtract the corresponding time from your total amount of creditable service.
- You may purchase a maximum of ten years of out-of-state service, regardless of whether it was rendered in a public or a non-public school. Likewise, you may purchase a maximum of ten years of non-public school service.
- The guidelines for purchasing both non-public and out-of-state service require equivalent Massachusetts public school service and you may not count the same Massachusetts service towards both types of purchases. For example, if you wanted to purchase five years of non-public school service and five years of out-of-state teaching service, you would have to have at least ten years of Massachusetts service.

PROCESSING

After we receive your completed form and determine your eligibility, we will calculate the cost of your service and issue you an invoice. Payment for your service may be made at any time before your effective date of retirement, provided you are an active member of the MTRS. If you should delay payment, the cost of your service will increase due to added interest charges. Finally, if you are approaching your retirement date, please notify our office so that we can process your bill immediately.

If you have any questions about purchasing past creditable service, please do not hesitate to contact our office.

Sincerely,
MTRB Member Services Unit

Enclosure: *Non-Public School Service Purchase Form*